

## Chairman's Address to Shareholders at AGM

Wednesday 14 November 2012

Almost seven years ago the Board and staff of the Clifton Hill/North Fitzroy **Community Bank®** stood nervously by as Rod Quantock cut the ribbon and declared the branch open for business.

Six years on, today's Board and staff are proud to celebrate our impressive achievements:

- Total business has grown every year and now sits at \$140m of personal and business banking on the books. Most of our customers live within 10km of the branch, so we are very much a community bank.
- Over \$600,000 has been returned to the local community as sponsorships and grants to support the activities of over 100 local community organisations. In the last financial year alone sponsorships topped \$300,000, and tonight we are going to announce a further round of 14 sponsorships totaling almost \$50,000.
- Finally, as of two weeks ago shareholders received a dividend of 9.5c per share which represents a one year return before tax of over 10%. This takes total shareholder returns to 27.5c for each \$1 you invested.

For the first time, we recently produced an Annual Review Newsletter which highlighted some of the innovative, impactful and effective projects and organisations we have supported over the last year. We also included a summary of our 2011/12 Annual Report and a full list of all the community organisations we have supported. I hope you all received your copy and enjoyed reading it. We have more copies here if you would like to pass one on to a friend.

Our success as a community focused business results directly from the efforts and enthusiasm of all those involved. Our current Board of volunteer Directors are all here today, and over the past year Directors Aisling Callaghan, Jennifer Gawne, and Greg Tinkler retired. I would like to thank all Directors past and present for their motivation and commitment.

Our efforts as a Board are supported by our part time staff – our Assistant Company Secretary Ana Petidis (standing in for Andrea Foxworthy who is overseas for a few months), our Partnerships Coordinator Lee Chia, our Bookkeeper Nicky White, and our Marketing Coordinator Georgia Wright who resigned recently to pursue a Masters Degree.

Finally, our branch staff led by Manager Rod May are the reason that we consistently earn praise from our customers for our friendly and efficient service, and Rod will talk more about that in a moment.

As a bank, we offer a full range of personal and business banking services that are every bit as comprehensive and competitive as those of our four big competitors. Our point of difference however is that the profits from that business stay in the local community and help support the schools, sports clubs, special interest and special needs groups that one way or another we all rely on.

You are our shareholders, and you invested in this business because we offer a different banking model, and we thank you for that support. What we also need is your banking business, because that generates the profit that directly benefits the local services you almost certainly use in some way or another. Everyone has to have a bank so if you aren't already a customer of ours, please set aside a few minutes to come in and see Rod and open an account.

I'd now like to ask our Branch Manager Rod May to briefly address you. Thank You.

## General Manager's Address to Shareholders at AGM

Wednesday 14 November 2012

Grants and sponsorships from our national network of 295 **Community Bank**® branches touch the lives of thousands of local people each and every day. From million dollar projects to small local initiatives, each tells a unique story of community collaboration. Since the first **Community Bank**® branch was established in 1998, more than \$80 million has been returned to communities across the country, \$45 million of which has been distributed in Victoria since 2006.

At a local level the Clifton Hill/North Fitzroy **Community Bank**® Branch has completed another outstanding year with good growth and a strong profit result. As at 30 June 2012, the branch held 4,710 accounts with \$141.848 million total business on its books. Deposit accounts totaled 4,082 while loans totaled 628.

Total revenue for the year was \$1.113 million which was 10.5% ahead of the previous year's result. Direct operating expenses were carefully controlled to end the year almost 8% below budget, resulting in a pre-tax operating profit for the 12 months of \$40,937. A summary of the performance of the branch since opening in 2006 is provided on page 5 of the Annual Report.

This success is only achievable with the support of a very committed branch team of David Burdett, Toni Vavala, Eli Inanir, Jessica McKean, Carole Malone and Michael Goode. I again thank them for their ongoing support and dedication in working for the benefit of our community.

I also wish to express my appreciation to the Clifroy Board of Directors and their support staff who continue to be very active in providing valuable support, direction and governance to my team while making sure that we are relevant to the needs of our community.

Finally, to all our stakeholders, remember as always to continually spread the word as awareness creates opportunity which contributes to success.